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UNITED STATES GOVERNMENT

Declass Review by NIMA / DoD

Memorandum

TO : NPIC

ATTN : [REDACTED]

DATE: 22 Dec 64

FROM : Chief, Contract Settlement Section/CB/PD/OL

SUBJECT: Contract [REDACTED]

1. Attached is a copy of a letter of November 11, 1964, from Contractor indicating a refusal to commence work under this contract until he receives payment of an amount due him under [REDACTED]. The amount due Contractor under [REDACTED] at the time was [REDACTED]. This amount has since been offset by an amount of [REDACTED] due the Government from Contractor under Contract [REDACTED] and a check for the difference of [REDACTED] has been mailed to Contractor.

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2. We are not at all sure that the payment of the [REDACTED] will make a difference in Contractor's attitude on Contract [REDACTED] as he is vigorously contesting the proposed settlement under Contract [REDACTED] and in fact is claiming that rather than owing the Government a refund, the Government owes him a sizeable sum.

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3. Assuming therefore that he will not proceed for the present with the work under [REDACTED] two courses of action are available:

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a. We may locate another source to perform the desired work and take steps to recover the equipment from Contractor.

b. We may leave the equipment with Contractor for the time being and see whether a satisfactory settlement under Contract [REDACTED] is worked out.

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4. Please let us know which course you recommend.

TL

Distribution:

Orig - Addressee

1 - File - [REDACTED]

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OL/PD/CB/CSS: [REDACTED] bmm/3543
(16 Dec. 64)